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A Key Industrial Problem

In 1956, the Soviet economy began suffering from a shortage of metal which stemmed from an inadequate supply of usable iron ore and from inadequate capacity for the rolling of steel. The acuteness of this shortage was a primary reason for the abandonment of the Sixth Five Year Plan (1956-60). Present Soviet plans schedule a major expansion of facilities for the concentration of iron ore, which has been deteriorating in average iron content in recent years, with the intention of eliminating this bottleneck by 1960-61.

The supply of rolling mill equipment must expand rapidly in order to meet Soviet export commitments to China and to India, in order to eliminate the Soviet undercapacity, and in order to supply steel-finishing capacity for goods of higher quality and increased variety.

According to present Soviet plans, no new specialized machinery plants for the manufacture of rolling mills will be completed until nearly the end of the Seven Year Plan. At present there are only three major producing plants. The achievement of the Soviet internal steel goal for 1965 requires a production increase of from 34 to 50 million net tons.

A comparison of the present and expected capacity of the existing rolling mill plants with the plans for the increase in rolling capacity of the steel industry produces a questionable result. These plans would imply more than a 50 percent increase in productivity per new mill over contemporary models. Thus, one 1960-65 model mill would do more than 50 percent more work than a 1957 mill. The likelihood of achieving such an increase is not supported by the record of recent technological progress in Soviet finishing mills.

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Questions on Key Industrial Problem

1. Have the Soviets completed plans and solved the technological problems for the production of a new high-speed rolling mill? Or do they intend to rely on imports?
2. In the likely event that the USSR's rolling mill equipment production over the next several years is insufficient to satisfy internal demands plus those of China and India, who will be left out?
3. A shortage of large-diameter pipe-rolling capacity is endangering fulfillment of pipe-line completions essential to the supply of gas and oil needed by Soviet industry. Are the Soviets planning to rely on imports or do they expect to install adequate domestic rolling facilities soon?

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